

MACON BRIGHT PROGRAM SUMMARY AND REQUIREMENTS

Purpose: A plan to locally incentivize the private sector to renovate, rehabilitate, and/or re-purpose deteriorated or challenged industrial and commercial properties. No other state or local programs currently provide these incentives.

Incentive: Provide an effective “tax freeze” at current levels for renovated, rehabilitated, and/or re-purposed property for a period of time not to exceed five (5) years for properties pre-qualified under Macon Bright Program, operated by MBCIA.

Structure:

1. MBCIA will issue its 2019 “Bright” Bonds to cover up to \$25 million in multiple projects, in such specific amounts as required to allow for acquisition and improvements to the properties over the next 10 years.
2. Bright Bonds will be a vehicle only, in a bond-for-title in order to provide tax freeze/savings. No actual cash or funds will be borrowed or loaned.
3. Approval of Bright Program by the Board of Commissioners of Macon-Bibb County and Board of Education for the Bibb County School District required before implementation.
4. MBCIA will coordinate with the Macon-Bibb County Board of Tax Assessors on application and Program requirements, and will prepare forms of applications consistent with the requirements set forth herein.

Process for Bright Program Projects:

1. Projects’ minimum size as determined by MBCIA up to the maximum available remaining Bright Bond proceeds; current minimum size requires a estimated value of approximately \$1,000,000 or more at the end of construction.
2. MBCIA will coordinate with the Tax Assessors at time of application to confirm assessment, condition, and plans to include the property in the Bright Program.
3. Eligible properties will be acquired with “bond proceeds,” via cashless transaction, and leased back to owner, similar to industrial projects, via a “mini-closing.”
4. Owner/Lessee/”Borrower” will maintain the property, including property and casualty insurance and indemnifications protecting MBCIA.
5. MBCIA will collect a PILOT equal to the amount of taxes the property generated the year following the year of application, but prior to min-closing, resulting in a “freeze” of the taxes during the Program.
6. MBCIA will remit PILOTs collected under Bright Program to the Board of Commissioners and Board of Education, less standard fees of administering the Program.
7. At the earlier of the end of the fifth (5th) year following transfer into MBCIA, Property will be conveyed back to Owner, the Tax Assessors will be notified of conveyance, and property will return to normal, 100% assessment.

Qualifications:

1. Prospective owner submits on or before October 1st of each year an application for consideration by MBCIA, which will at the minimum include:

Owner Name	Property Address
Current Use	Current Square Footage & Future Square Footage
Current Tax Assessment Information	Photos, Plans, Drawings, and/or Elevations
Project and Development Plan and Information	Current Environmental Site Assessment
Timeline for Completion	Proof of Financial Ability to Complete Project



2. Determined by MBCIA in its sole discretion: to be a property which requires renovation, rehabilitation, and/or re-purposing, which will increase the tax base and create jobs, in relative benefit to Macon-Bibb County.
3. MBCIA will coordinate with Tax Assessors to confirm no prior incentives from other state and local sources have been implemented previously on subject property.
4. Applicant must certify at the time of application that the information is true and correct, and upon completion, the Applicant will at least double the assessed value of the subject property AND have a prospective use and/or tenants identified following completion.
5. Applicant must submit an application fee to MBCIA at time of consideration, and also agree to pay reasonable costs of MBCIA and its counsel in connection with the mini-closing, as well as reasonable costs incurred by MBCIA during the term of the subject lease.

Restrictions:

1. Work cannot have begun on a property prior to MBCIA approval of application and inspection by Tax Assessors.
2. Project must be completed within twelve (12) months of approval and obtain a Certificate of Occupancy prior to December 31st of the year following the year of application and approval; no property will be conveyed to MBCIA until it is complete.
3. The owner of the property, must be current on the taxes owed on the subject property, and current on taxes all other properties of the owner and entities closely related to the owner in Macon-Bibb County.
4. Environmental conditions, if any, revealed in ESA must be cured as part of Project by completion. Property must be insured as to casualty and as to liability coverage including the Authority as an additional insured.
5. Lease and closing documents will be form documents prepared by MBCIA and not subject to negotiation as to terms or provisions; applicants will be provided copies of form documents approved upon validation of Bright Bonds.
6. MBCIA has absolute discretion not to accept property at time of mini-closing if the property is not complete, Program requirements are not met, or for other reasons as it may determine, such as the Project not being completed in accordance with submitted Plans, timeline, or in accordance with Program.
7. Owner/Lessee will certify improvement costs at time of min-closing to be at least the amount required to both (i) double the assessment of the property, and (ii) result in a minimum assessed value of \$1 million after new investment, based on investment costs plus current assessment at time of application; failure of applicant to meet this requirement may result in denial to proceed in Program by MBCIA.
8. Once a property is completed, if the Owner/Lessee rents 60% or more of the property to one or more third party(ies), the Owner/Lessee will notify MBCIA, and the subject property will be conveyed back to Owner/Lessee for normal taxation the immediately following tax year, even if prior to the end of the five (5) year Bright Bond Lease.
9. At the end of the (5th) fifth year, or earlier termination due to leasing by Owner/Lessee, by MBCIA for failure of Owner/Lessee to meet Program requirements (including timely payment of invoiced PILOTs), or by option of Owner/Lessee, Owner/Lessee will covenant to file a return for assessment for the property in the following tax year for no less than 200% of the assessed value as determined in the year of initial application, or be subject to a payment in lieu of taxes for the then current tax year which would result from such a valuation.
10. Such other reasonable restrictions as MBCIA may develop in implementing the Bright Program or related to specified Projects or properties.